

# Newsletter

## May 2020



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Elda Llambi  
Ergisa Hasanbelliu

## Registration of foreign companies in e – Albania online platform



Starting from April 2020 the governmental platform e-albania has expanded the category of subjects that can access the platform and now it is possible also **for companies with a foreign administrator to be registered in e-albania**, only with the data of the administrator.

Through the platform might be benefited from a various governmental services fast and with 0 costs ■

## Attestation for exercising commercial activity

In accordance with the government's orders now the businesses which are allowed to resume economic activity in Albania must apply in the governmental portal e – albania and obtain the **"Attestation for exercising of commercial activity"**.

After obtaining from the system the Attestation for exercising of commercial activity, you must print it and put in a visible place in the office during all the emergency period of COVID-19 in case of any inspection/control from labor inspectors or police officers.

Furthermore, all businesses that are allowed to exercise commercial activity are obliged to comply with the Protocols and hygienic-sanitary measures. This protocols vary based on the activity exercised by the company or the number of employees that the company has. Each company should



consult the respective Protocols regarding the measures that should be taken and their application in the government portal e-albania ([www.e-albania.al](http://www.e-albania.al).)

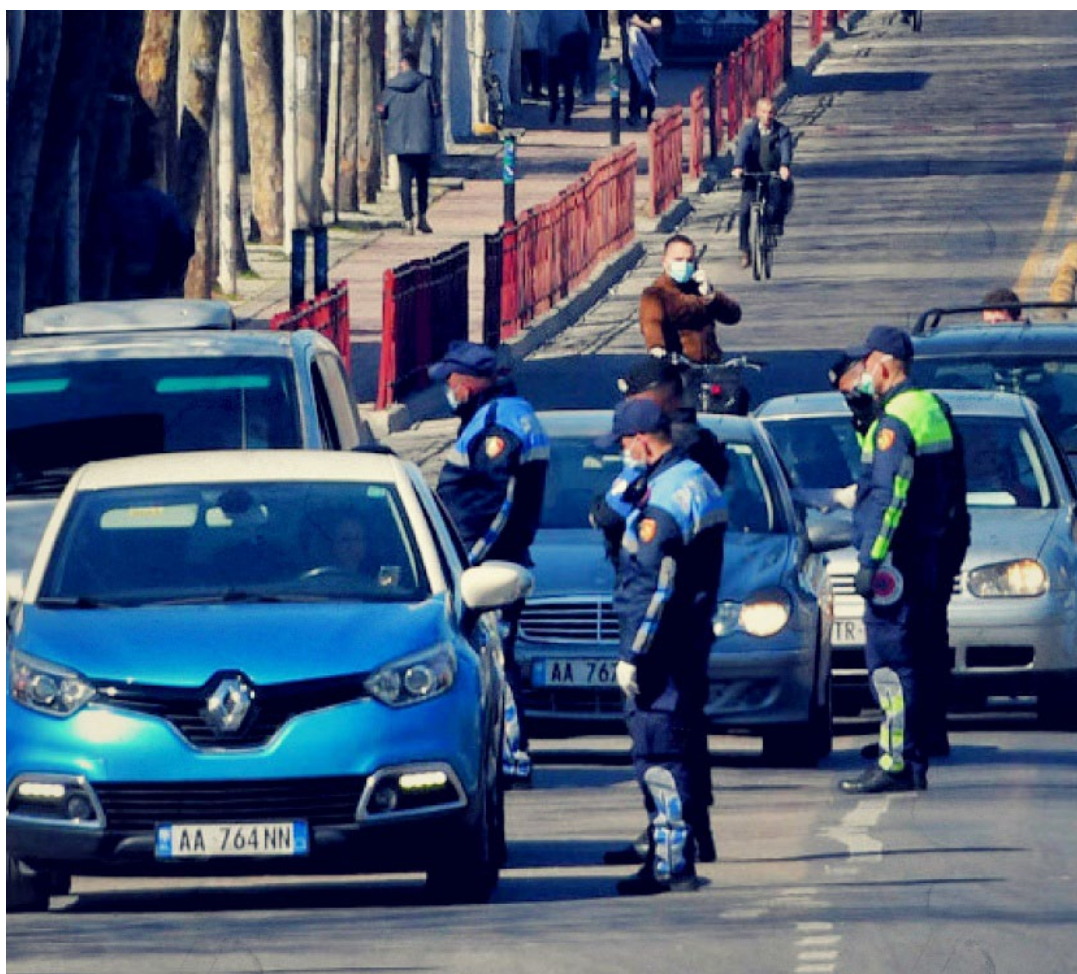
In case your business is the category of the businesses allowed to resume economic activity in Albania but your application to obtain "Attestation for exercising of commercial activity" gets refused, you must update the commercial activity code of your business.

In order to perform this update:

- Businesses registered in the form of Physical Persons might apply directly from governmental portal e-Albania under the option "Application for update of registration of the Physical Person" and following the relevant instructions;
- Other businesses must be presented before the National Business Center (NBC) ■

Elda Llambi  
Ergisa Hasanbelliu

# Authorization for circulation of vehicles for the needs of the businesses



Now the “Authorization for circulation of vehicles for the needs of the subjects” can be obtained from the governmental portal e – Albania.

***In accordance with their needs in function of exercising of the commercial activity, companies might apply and obtain 3 categories of Authorizations:***

- Staff transportation vehicles;
- Conducting operations mainly before banks, public institutions, etc. between 05:00 – 17:30;
- Exercising operations related with the commercial activity of the business 24/7 and in different cities.

*The Authorizations may be issued for 7 days period ■*

Elda Llambi  
Ergisa Hasanbelliu

# Financial Assistance for employees of companies affected from the Covid-19 restrictions

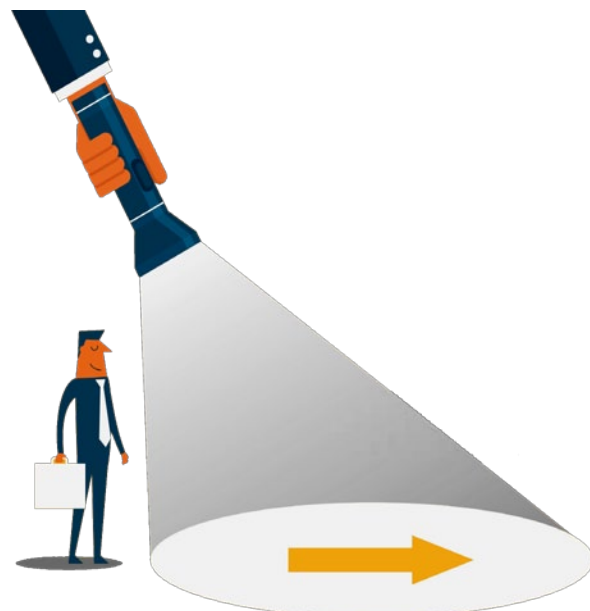
The Government will provide a financial assistance to the current and discharged employees of companies closed due to Covid-19 restrictions.

The financial assistance benefitted the employees is 40,000 (approx. 320 Euro).

The application for financial assistance must be done by the companies in which the employee is employed by filling out a form starting from April 21<sup>st</sup>.

## **Beneficiaries of financial assistance are:**

- Employees of companies with an annual turnover of over 14,000,000 ALL and closed due to Covid-19 restrictions, who were employed on the date of entry into force of the order of closure;
- Employees of companies with annual turnover up to 14 000 000 ALL and allowed to exercise activity, who were employed on the date of entry into force of the order of closure;
- Employees of companies allowed to exercise activity, who have been discharged during the period between the date of declaration of the epidemic state from the Ministry of Health until April 10th 2020;
- Employees of companies that exercise activity in the sector of accommodation structures, which appear in the payroll on the date of entry into force of the order of closure. If the company exercises several types of activities, will benefit from this assistance only the employees serving in the accommodation activity.





**Elda Llambi**  
**Ergisa Hasanbelliu**



***Are excluded from the financial assistance:***

- Employed individuals, who for 2019 have realized gross income from salary over 2,000,000 ALL;
- Employees of state institutions as well as employees in companies with state capital;
- Non-profit organizations;
- Individuals of companies with object of activity: trade of food products, fruits - vegetables, pharmaceutical activities. Are also excluded the double-employed individuals, if one of the activities in which he is employed belongs to this category of businesses.
- Businesses registered in the form of Physical Persons, who exercise free professions as: lawyer, notary, specialist doctor, pharmacist, nurse, veterinarian, architect, engineer, doctor-laboratory technician, designer, economist, agronomist and registered accounting expert, approved and evaluated accountant ■

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# RENT RELIEF – Rental Payment for April & May 2020 will be postponed

Pursuant to the Normative Act no. 12, dated 2.4.2020 "On an addition to the Normative Act No. 3, dated 15.3.2020, of the Council of Ministers, "On taking special administrative measures during the duration of the infection period caused by Covid-19", as amended; Rent Payments will be suspended for small businesses and for economically active household members who stopped working due to the public health orders.



***These facilities shall be applied to individuals and small businesses that falls under one of the three categories affected by COVID-19 situation:***

- **Individual tenants** to whom the employment contract has been suspended / terminated as a result of the situation caused by Covid-19 and have a lease contract or any other document that proves the Lessor - Lessee contractual relationship;
- **Student tenants** who have a rental contract for an apartment or any other document certifying the Lessor - Lessee contractual relationship, which has entered in force prior to the announcement of the epidemic emergency.
- **Physical / legal entities** with yearly income up to ALL 14 million, which have a notarial lease contract for performing their economic activity, that has entered in force prior to the announcement of the epidemic emergency and that been forced to stop their activity due to the situation caused by COVID- 19;

## Albana Fona

The Rent Payment for April and May 2020 will be paid proportionally after May 2020, by mutual agreement between the Lessor and Lessee. For Rent Agreements that expire before May 2020, the outstanding rental payment shall be settled by the Lessee within a 3 months period after May 31st 2020.

The Normative Act has adopted punitive fines up to five times the amount of the monthly rent, for Lessors who fail to obey to this Decision.

In such cases, the Lessee has the right to address his/her complaint to the Tax Directory in the following e-mail address: [ankesa.qirajame@tatime.gov.al](mailto:ankesa.qirajame@tatime.gov.al), with object/ title of Email: NUIS/NIPT in case of Physical/Legal Entities, and/or NID (Unique Identification Number) in case of individuals or students, describing the reason for the complaint and attaching the completed Form published in the website of the General Tax Authority.

In order to benefit from the rent relief provided in the Normative Act or other



facilities that could be provided by future decisions of the Council of Ministers, individual and student must complete the Form published in the website of the General Tax Authority and apply to the email address: [qirajame@tatime.gov.al](mailto:qirajame@tatime.gov.al).

Meanwhile, the registered Physical/Legal Entities must apply in their account at e-filing at the Menu: "My cases" by uploading the completed FORM and copy of the Notarized Rent Agreement ■

Published in the Official Gazette No. 57 with immediate effect.  
<https://www.tatime.gov.al/d/8/45/1290/njoftim-mbi-menyren-e-aplikimit-per-perfitimin-e-lehtesirave-te-parashikuara-ne-aktin-normativ-nr-12-date-242020-per-qirate>

# Covid-19 found the financial system and banking sector in a good condition

Financial stability report – 2019 h2 (second semester of 2019)



"The Financial Stability Report analyses important developments in the financial system and identifies the factors that represent a systemic risk. The report identifies and assesses risks faced by the financial system and its infrastructure, to give public authorities the opportunity to identify the necessary corrective measures. It published half-yearly by the Bank of Albania (BoA)".

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## ■ REAL ESTATE MARKET IN ALBANIA DURING 2019

According to the Financial Stability Report, published by BoA on April 15th 2020, the survey indicators showed an increase of prices in the REAL ESTATE market, influenced by the expansion in both demand and supply.

One of the reasons that gave rise to the demand, is the increase in credit to households for real estate purchase, favored by low interest rates and the easing of banks' lending conditions applied on this type of loans. Supply in the real estate market continues to be supported by the strong

performance in the credit for the construction sector. Credit for construction continued to expand and data on the number of construction permits show that interest for new constructions continues to be strong!

Based on the filed survey of 230 Real Estate Agents focused on real estate business transactions, it is noticed an: increase in demand; decrease in the number of unsold properties; increase in the number of sold properties; and a shortening in the time needed to sell the properties.

The Report provides that Agents remain relatively optimistic for developments in the real estate market, and the situation in this market is assessed, overall, as stable.

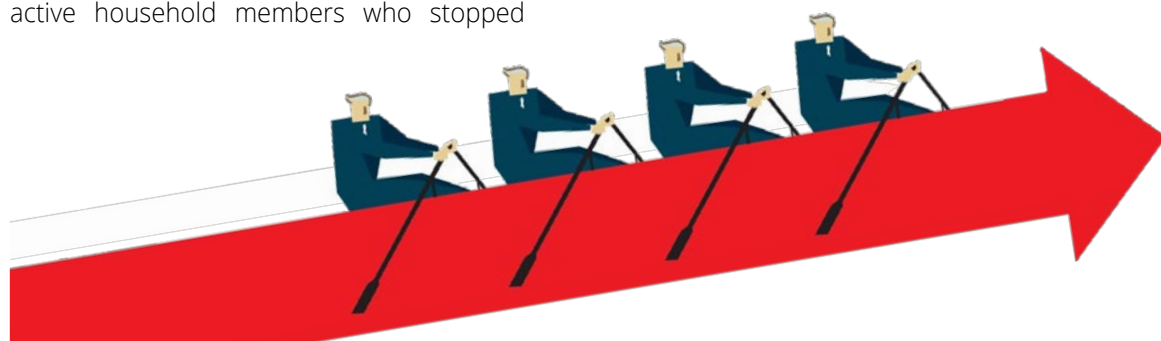
## ■ BOA: "COVID-19 FOUND THE FINANCIAL SYSTEM AND BANKING SECTOR IN A GOOD CONDITION"

In Albania, public authorities have activated the emergency plan, undertaking various measures which aim to alleviate the impact of pandemic on the economy. The Bank of Albania as well, has had a key role with its measures and actions regarding the institutional management, communication with the supervised entities, particularly banks, and in the framework of its legal policies.

The financial packages presented by the Albanian Government, aim to mitigate the financial consequences that the COVID-19 situation may cause to the economy. This relief packages provide support to small businesses, enterprises and to economically active household members who stopped

working due to the public health orders, insuring basic income for this categories, facilities on banking sector and with focus on job protection. In this light, the Government has offered state guarantee for borrowing enterprises affected by the novel coronavirus, to help them meet their short-term needs for liquidity and support them to restart their activity.

Even though the Report published by BoA, analyses the developments until the end of 2019, according to BoA, it is encouraging that COVID-19 pandemic found the financial system and banking sector in Albania, at a good financial position. The Bank of Albania, is confident that this favorable financial position will enable banking sector to absorb the possible shocks arising from the effects that pandemic will have on the economy of Albania ■



Source, Bank of Albania "Financial Stability Report -2019 H2"  
[https://www.bankofalbania.org/Publications/Periodic/Financial\\_Stability\\_Report/Financial\\_Stability\\_Report-2017\\_H2.html](https://www.bankofalbania.org/Publications/Periodic/Financial_Stability_Report/Financial_Stability_Report-2017_H2.html)

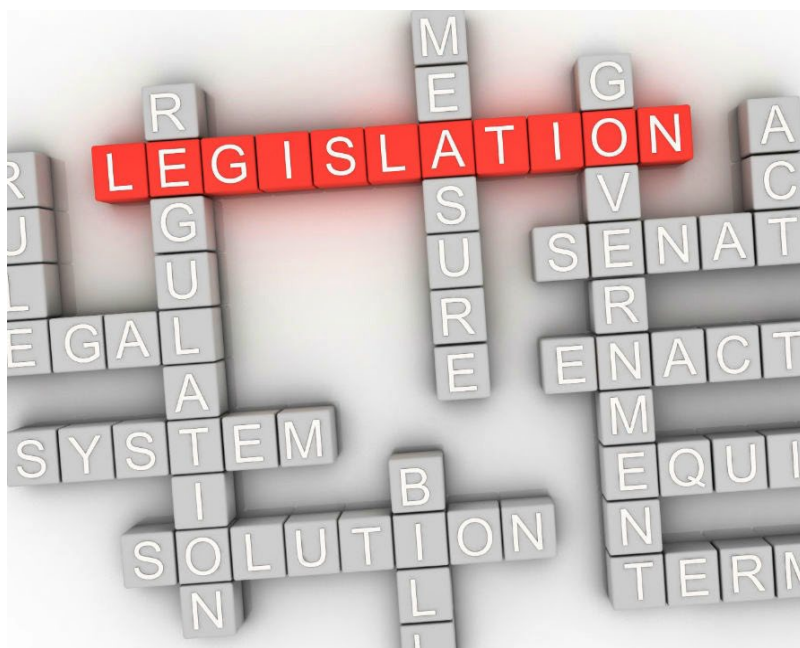


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# New Law On “On The Finalization Of Transitional Ownership Processes” In Albania

On 05.03.2020 the Albanian Government adopted the New Law on “On the Finalization of Transitional Ownership Processes” in Albania”, published in the Official Gazette no. 70 dated 22.04.2020.

The New Law, contributes in the finalization of transitional ownership processes in Albania in a defined period of time, specifically within December 31st 2028. According to the Albanian government, the completion of this process, will be an absolute guarantee for sustainable development in rural areas as it lays the foundations for the investment of the farmers’ and various investors.



*With the entry into force of the New Law, the following laws are to be abrogated:*

1. Law no. 7501 dated 19.07.1991 “On Land” as amended.
2. Law no. 8053 dated 21.12.1995 “For the transfer of ownership of agricultural land without compensation” as amended.
3. Law no. 9482 dated 03.04.2006 “For the legalization, urbanization and integration of informal constructions” as amended.
4. Law no. 9984 dated 07.07.2008 “For the on the review of legal validity for the creation of ownership titles on agricultural land” as amended.
5. Law no. 10 186, dated 5.11.2009, “On the regulation of ownership on state land in areas with tourism priority”, as amended.
6. Law no. 171/2014, “On the completion of legal procedures for the transfer of agricultural land of former agricultural enterprises in ownership of the beneficiaries”, as amended. ■

The New Law has been drafted in conformity with the recommendations provided by the Opinion No. 952 / 2019 of Venice Commission dated 14 October 2019, and aims to provide final solutions and resolve problems in the highly sensitive area of ownership field and the respective legal framework in Albania, accumulated over decades.

The purpose of the new Law is to set forth simplified and harmonized legal bases and instruments for resolving the remaining issues related to state and private immovable property rights in general and to the transitional process of ownership rights and registration of agricultural land in particular.

Published in the Official Gazette no. 70 and entered into force 15 days after its publication.

Ervana Cullhaj

# Tax Payment And Declarations Under Covid19 Situation In Albania – April 2020

On 23.04.2020, the Council of Ministers has approved the Normative Act no. 18 "On amendments and additions to the Law no. 8438, dated 28.12.1998, "On income taxes", as amended"



- Pursuant to the abovementioned Normative Act, will not be paid the installments of the prepayments of the Profit Tax of 2020, for the taxpayers with turnover up to 14 000 000 (fourteen million) ALL, subjects of the Profit Tax.
- While, for Taxpayers with a turnover of over 14,000,000 (fourteen million) ALL, the deadline for payment of installments of Profit Tax is postponed, for the tax periods of the second and third quarter, April-June and July-September

2020. Payments of these installments are postponed to April-September 2021. Taxpayers who carry out economic activities in the field of banking, telecommunications, trade in pharmaceuticals, food products and fruits and vegetables do not benefit from this exemption.

- The deadline for payment of profit tax installments for tax periods April-December 2020 for taxpayers who carry out economic activities in the field of tourism and active processing with ordering material and call center is postponed. Payments for these installments are postponed to April-December 2021.

- The deadline for submission to the tax administration and the payment of the obligation, if it results, of the individual annual income statement for 2019, for individuals, is postponed. The new deadline is no later than July 31, 2020.



Apart from the tax payments or declarations deadlines listed above, as per Tax Authority notice, any other deadlines for the declaration or payment of tax liabilities shall remain unchanged. You can find the detailed calendar of the deadlines for declaring and paying tax liabilities in the link:

<https://www.tatime.gov.al/kalendar.php>.

Also the Tax Authority has recently dedicated a special section in their official website [www.tatime.gov.al](http://www.tatime.gov.al) named "COVID-19", in which you can find all the necessary information about the epidemic situation.

In addition to the above, the tax authority has notified that the deadlines for performance of any procedure from the administrator in any bankruptcy proceedings have been suspended until the end of the epidemic situation ■

Ervana Cullhaj

## State Loan Guarantee

On 06.04.2020 the Council of Ministers has approved the Decision no. 277 "For the approval of the **state loan guarantee** with the second level banks for the salaries of businesses, whose activity has been affected by government decisions in the context of managing the situation caused by COVID-19".

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The state guarantee fund is in the amount of 11,000,000,000 (eleven billion) ALL (100 million dollar) and the Ministry of Finance and Economy will undertake to guarantee the Banks up to 100% of the maximum value approved for each bank.

■ Based on the Decision, ***the beneficiaries of the state guarantee scheme are the commercial companies whose activity has been closed or affected with the reduction of its turnover, as a result of the decisions of the government in the framework of the situation created by COVID-19.***

■ The purpose of using the loan funds will be only to pay the salaries of the Borrower's employees.

■ The value of the Loan made available by the Banks for each participating Business, may not exceed the value of 3 gross monthly salaries of the employees declared by the Business.

■ The business can benefit from a free period of principal, of not less than 3 months.

■ The second level banks will not apply administrative costs on credit and will offer a preferential interest rate, equal to the average interest rate of the last three auctions of 12-month treasury bills plus a margin of 0.5, but in any case it will be not higher than **2.85%**



Uendi Vata

## Strategic partnership between Albania and France



On 23/4/2020 it is ratified the agreement between the Republic of Albania and the Government of the Republic of France regarding the establishment and exercise of the activity of the French Agency for Development, Proparco and Expertise France in Albania.

AFD Group and Expertise France are authorized to provide financial and technical assistance as well as to invest in Albania ■

## Limited tender for the Reconstruction and construction of public infrastructure in new areas declared for compulsory development

The **Albanian Development Fund** has declared through the Public Procurement Agency the opening of the Limited Tender procedure with object of the contract: The reconstruction and construction of public infrastructure in new areas declared for compulsory development.

**The limit fund** approximate value of the contract /framework agreement is 3,726,934,577 (three billion seven hundred and twenty-six million and nine hundred thirty four thousand and five hundred seventy seven) ALL excluding VAT.

The duration of the contracts or time limit for execution of the Agreement will be 24 months. The duration of the contract / contracts will be up to 10 (ten) months from the moment of signing or with a shorter term depending on the specifics of the infrastructure facility.

**Time limit for submitting bids or requests for participation is 08/05/2020 Hour: 11:00 ■**





Uendi Vata

## Open tender procedure

The Municipality of Belsh in Albania has announced the tender "Open Procedure" (through electronic means) for carrying out works for the road lighting with Solar LED 60w lighting for the following areas: Dragot, Hysë, Qafshkallë, Tavan.

*The limit fund of the contract/framework is 12.307.198 ALL (VAT excluded) ■*



## Albania adopts the technical rules and safety criteria for the construction and operation of natural gas transmission, distribution systems and GNL installations

*On 23/04/2020 the Council of Ministers of the Republic of Albania decided to adopt the technical rules and safety criteria for the minimum requirements of technical design, construction and operation of natural gas transmission and distribution systems, GNL installations, storage spaces and direct lines, for the safe operation of natural gas systems, including the rules for the transmission and distribution system as follows:*

- Technical rules for the gas industry, code of practice G100 (A) "Qualification requirements for energy plant experts of gas supply systems";
- Technical rules for the gas industry, code of practice G 402, "Network and damage statistics - Collection and evaluation of data for the development of maintenance strategies for gas distribution networks";



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- Technical rules for the gas industry, technical guide G 452, "Drilling and closing in high pressure gas pipelines";
- Technical rules for the gas industry, practice code G 465 "Gas lines with an operating pressure of up to 5 bar - Repair";
- Technical rules for the gas industry, code of practice G 2000, "Minimum requirements for interaction and connection in gas supply networks";
- Technical rules for the gas industry, technical guide - gas info no. 10 "Natural gas plants in industrial areas and in the fields of use of operational gas";
- Technical rules for the gas industry, code of practice GW 10 "Cathodic protection against corrosion (MCR) of buried pipelines, pipelines in complex plants and steel storage vessels; design, construction, commissioning, operation and maintenance";
- Technical rules for the gas industry, technical guide G 473, "Methods for detection, assessment, treatment and avoidance of damage to high pressure gas pipelines" ■







# Newsletter

May 2020





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Tirana - Pristina - Ljubljana - Skopje - Podgorica



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Competition  
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Antitrust and Unfair

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and Privatization Commercial  
Tax  
Property and Real Estate  
Aviation  
Administrative Procedures and  
Appeals

Energy & Infrastructure  
Projects Bankruptcy -  
Insolvency - Restructuring  
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